



Risk Management Advisor

*"Providing Effective
Risk Management Services and
Resources for Idaho Citizens"*

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Successful Risk Management Programs

Why Management, Legal Counsel, Human Resources and Others Must Work Together

Brad H. Hall, Idaho State University Counsel/Risk Manager

Working on a university campus can be at the same time frustrating and invigorating; demanding and rewarding. Campuses, with their varied operations: food service, sports and entertainment, health facilities, human resources and other employee services, not to mention the central task of maintaining educational facilities, programs and the people who staff them, are often compared to operating a small city. Combine, in ISU's case, almost 13,000 students, 1500 student employees and nearly 2000 non-student employees, (faculty, classified, exempt, part-time, full-time and temporary), with programs as varied as law enforcement, nuclear science and engineering and a family practice residency program, (including a full-time family medicine clinic), and the potential for things to go wrong is almost staggering. The amazing thing, however, is that in a relative sense, things really do work quite well!

For about three years now, ISU has taken a

somewhat unique approach to structuring its risk management functions. We first combined the duties of assistant university counsel and risk manager, and more recently, after the former General Counsel left for another position and I was promoted, combined the position and offices of General Counsel and Risk Management. If nothing else, it certainly improved communication between the two offices! (And people wonder why I talk to myself!)

ISU has certainly had its share of claims and "near-claims", including a variety of property claims, employee claims or grievances, a tragic student-worker death claim, and even a couple of medical malpractice claims. Through these and other experiences, I have observed a few common sense principles which seem to help all concerned practice sound risk management goals.

Try to **keep** all appropriate parties "in the loop" on significant matters. As the title to this article suggests, it is particularly important to keep key players

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The Statewide Safety and Loss Control Committee Keeps Moving Forward

Jim Coffey, Loss Control Manager, State of Idaho

On February 1, 1996, based on Executive Order 95-13, the Statewide Safety and Loss Control Committee was re-established.

Pamela Ahrens, Director of the Department of Administration, is the chair of the committee and the committee's work continues under Governor Kempthorne's Executive Order 99-06.

Some of the key charges to the Committee from the Executive Order include:

- **Monitor** and maintain a Statewide Safety and Loss Control Program Model.

- **Develop** strategies and standards to assist agencies with their safety programs;
- **Review** statewide trends in losses and exposures and make cost-effective recommendations.
- **Coordinate** the development of existing statewide resources related to safety and loss control activities and the sharing of those resources across all state agencies to provide safety and loss control outreach resource services.

In the last three (3) years the Committee has focused on the following areas:

- ◆ **Created** the Statewide Safety and Loss Control Program Model in October 1996, to help State agencies develop or refine their own safety and loss control programs. The Statewide Model is now in

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Controlling Liability Claims Costs

James E. Campbell, Risk Management Operations Supervisor, Office of Insurance Management

We have recently completed an evaluation of trending of Risk Management claims and the ultimate cost of these claims. We reviewed a ten (10) year period, from 1989 – 1998, broken down into five (5) year increments. No matter the format used the results were basically the same: claims and costs are trending upwards. The result of that upward trend: increased costs in premiums. A sampling of the evaluation follows:

The sheer, raw numbers of liability Claims are trending up dramatically. The average number of claims for the 1994 – 1998 period increased 26% over the 1989 – 1993 period.

Looking at the 1994 – 1998 period, which indicates all causes have trended up, we find the following:

<u>Coverage</u>	<u>Percentage of total claims</u>
General Liability	43%
Automobile Liability	39%
Personal Injury Liability	9%
Errors and Omissions Liability	7%
Medical Malpractice	2%

"...the results were basically the same: Claims and costs are trending upwards."

We compared average costs and average number of claims in each of the two periods (1989-1993 and 1994-1998) and found:

- Costs increased 23%
- Automobile liability claims increased 26%, however incurred costs decreased 17%
- Comprehensive General Liability claims costs increased 41%
- Medical Malpractice claims costs increased 41%
- Errors and Omissions claims increased 15%
- Personal Injury liability claims increased 53%

It is easy to see the trend in claims is up. We must also keep in mind that the 1994 – 1998 period is still maturing and will continue to do so for some time. The

strong probability is that costs will also continue to trend upwards. We want to assist you in the control of your claims and costs. Our Loss Control staff and our entire Risk Management staff are ready to assist you in whatever manner that we can. A strong team effort is necessary to meet the challenges of reasonable costs for coverage. ■

"Successful" Continued from page 1

such as the Human Resources Department, legal counsel, risk management, and especially administration or management informed of claims and potential claims as well as about preventive efforts. It can be embarrassing, indeed, to have one's boss first learn about a claim or incident on the 6 o'clock news, especially if others in the organization knew something was up. When a major incident or crisis occurs, it is particularly important to take a "team" approach and to bring appropriate members with relevant expertise into the team. In the student-worker death situation referred to above, our now retired Dean of Student Affairs who had a background in counseling was extremely helpful as a liaison between the grieving families and the University administration;

Communication should be direct, face-to-face, and not necessarily in the form of "C.Y.A." memos. Why create Plaintiff's Exhibit #1, #2, etc.? Don't become overly "compartmentalized";

Act quickly to understand and/or investigate

potential problems or claims. Especially work closely with counsel early on. Good investigation and organization can pay great dividends later. (Note, for example, the affirmative defense available to an employer who acts expeditiously and reasonably to address a sexual harassment complaint, and, is therefore, deemed not "deliberately indifferent");

Maintain a good working relationship and communications with the Office of Insurance Management. OIM has been very helpful to us in managing claims and assisting with preventive efforts. (They are especially good-natured when they learn of issues sooner rather than later);

While it may be contrary to conventions of both the legal and risk management professions, it is generally helpful to follow the advice of the noted Psychologist Abraham Maslow, and instead of asking "What caused the trouble? Who was to blame?" ask "How can [we] handle this present situation to make the best of it?" ■

"When a major incident or crisis occurs, it is particularly important to take a "team" approach..."

"You Have to Play to Win!"

**Shelly Rael, Senior HR Specialist,
Department of Correction**

The Department of Correction's Safety and Loss Control Committee recently implemented a Safety Phrase of the Week Contest for FY2000. We wanted to get safety on the minds of employees on a regular basis. We also wanted the contest to be very simple to management but also meaningful! There will be 12 contests and 30 winners each month!

We posted flyers and contest rules and sent e-mails to get employees informed and excited about the contest. We also purchased some great prizes with safety slogans on them.

Here's how it works:

1. A Safety Phrase for the Week is sent out on e-mail and a flyer is posted by the facility/office Safety Officer.

2. Employees grab a 3x5 card and write their name, work location, and each of the four safety phrases for the month.

3. At the end of the month, they turn in their handwritten entry card to the Safety Officer in the designated drop box.

4. Entries are sent to the Department's Personnel Office (who coordinates the Department wide Safety and Loss Control Program). Thirty (30) winners are

randomly drawn from all entries received. Prizes are sent to Safety Officers to distribute to winners at their location.

Participation: There have been four monthly contests completed as of this article. Participation is running at about 20-25% of employees (approximately 280 – 350). The Committee hopes participation will increase during the year.

Accident Trends: It is a little difficult to determine any direct impact the contest is having on workers' compensation accidents; however, a quick look at accident trends over the last two years indicates a reduction in accidents since April of 1999. If the current trend continues, the Committee anticipates about 24 fewer accidents than in 1998 and a reduction of more than \$100,000 in losses.

The Committee is currently working on a wellness incentive contest for FY 2001. If you would like to know more about the Department of Correction's Monthly Safety Contest or other projects that the Safety and Loss control Committee is working on, you can contact Shelli Rael, 208/658-2020, at the Idaho Department of Correction. ■

Accidents per Quarter 1998-1999				
	1998		1999	
	Avg. No. of Accidents per quarter	Avg. Cost of Accidents per Quarter	Avg No. of Accidents per Quarter	Avg Costs of Accidents per Quarter (4th Qtr est.)
	36	\$150,405	30	\$122,152
Total	145	\$601,620	121	\$488,608

"Committee" Continued from page 1

its third edition, with the year 2000 model due out by April 2000. The Model can be accessed on line at www2.state.id.us/adm/insurance/rm/islcpm1.htm

◆ **Developed** statewide trends in losses and exposures. The Model now includes property, liability and workers compensation loss history reports on a statewide basis and for ten (10) focus state agencies.

◆ **Established** a Statewide Safety and Loss Control Communication Group, which includes over 20 state agencies and 102 participants. The purpose of this on-line communication group is to discuss general safety and loss control topics, such as training, resources, equipment and idea sharing.

◆ **Currently** evaluating statewide safety and loss control training resources to work toward

a shared loss prevention training approach.

We encourage all personnel involved with their agency's safety and loss control program to review Executive Order 99-06 for a full understanding of this vital program. ■

Need More Safety Information?

**Ada-City County
Emergency Management**
www.webpak.net/~accem

**Federal Emergency
Management Agency**
www.fema.gov

**Environmental Protection
Agency**
www.epa.gov

OSHA
www.osha.gov

National Safety Council
www.nsc.org

SafetyOnline
www.SafetyOnline.net

For Questions About Any of These Articles

Brad Hall, Idaho State
University Counsel
208/236-3234

Jim Campbell, Risk
Management Operations Supervisor,
Office of Insurance
Management
208/332-1871

Shelli Rael,
HR Specialist,
Dept. of Corrections
208/658-2020
srael@corr.state.id.us

Jim Coffey, Loss
Control Manager,
Office of Insurance
Management,
Editor
208/332-1867
jcoffey@adm.state.id.us

*"Risk Management Advisor"
is published periodically in
Boise, Idaho by the State of
Idaho Office of Insurance
Management Staff.*

*State of Idaho,
Dept. of Administration,
Office of Insurance
Management
650 W State St.
P.O. Box 83720
Boise, ID 83720
Tel: 208/332-1860
Fax: 208/334-5315*

Cynthia Ness, Manager

*Jim Campbell,
Operations Supervisor*

*Jim Coffey, Loss
Control Manager*

*Kris Michalk,
Claims Adjudicator*

*Joan Compton,
Insurance Analyst*

Moving Day Safety Tips

**Marsha McKinney, Risk Management
Consultant, State Insurance Fund**

As a State Employee, how many times have you changed your work location without changing your employer? Whether you're moving across the aisle, down the hall, up the stairs, or to the other side of town, we are a very mobile work force. Even if the only change is a new desk in the same old spot, it can mean extra work, added stress, and of course, an increased chance of injury.

Here are just a few suggestions to reduce the risk of accidents and injuries before, during, and after a big (or little) move:

BEFORE THE MOVE:

DON'T use large boxes unless you have bulky, lightweight things to pack!

DON'T put all your books in one box! Combine lightweight items with a few books to keep the box at a manageable weight.

DON'T block aisles and doorways with boxes and equipment. Keep your work area as tidy as possible to avoid tripping hazards.

DO take this opportunity to "clean house." Get

rid of or take home items you don't really need. This will allow more space on top of and below your desk, and promote a better ergonomic work arrangement.

DURING THE MOVE:

DON'T try to move heavy items yourself; ask for help.

DON'T let a co-worker move heavy items alone; offer to help.

DO watch out for cluttered aisles, and people in a hurry.

AFTER THE MOVE:

DON'T be in a hurry! Things are not where they used to be; you can bang your knees, bump your head, and rap your knuckles reaching for things where they "used to be."

DO arrange the equipment on and around your desk to avoid reaching and twisting. Place the personal items you couldn't bear to get rid of BEFORE the move in a spot where you can enjoy them, but where they won't interfere with your work tools.

DO learn how to adjust your new chair, desk, computer table, etc., to maintain the best "ergonomically correct" work station.

AND ALWAYS use good lifting techniques: keep the load close to your body, bend and lift with your knees, maintain your back's natural curves, and don't twist! ■